

Message Text

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ACTION IO-14

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E.O. 11652: N/A
TAGS: UNDP, AORG, EAID
SUBJECT: UNDP GOVERNING COUNCIL CONCLUDES ITS WORK

1. GOVERNING COUNCIL CONCLUDED ITS THREE DAYS OF MEETINGS
ON 20 JANUARY AND, IN ACCORDANCE WITH STANDARD
PROCEDURES, ADOPTED BY CONSENSUS TWO DECISIONS APPROVING
THE PROGRAMS AND PROJECTS PROPOSED BY THE UNDP ADMINISTRATOR
AND THE UN REVOLVING FUND FOR NATURAL RESOURCES, RESPECTIVELY.

2. TRANSMITTED IN PARA THREE BELOW IS TEXT OF STATEMENT
MADE BY US REP (AMBASSADOR WELLS) AT CONCLUSION OF MEETING
STATEMENT UNDERLINES OUR CONCERN OVER APPROVAL OF PROJECTS
CONTAINING EXTRAORDINARILY LARGE EQUIPMENT COMPONENT.
PURSUANT TO PRIOR CONSULTATIONS WITH US, CANADIAN
AND BRITISH DURING DELS COURSE OF MEETINGS HAD ALSO EXPRESSED
THEIR CONCERN OVER SUCH PROJECTS, WHICH WERE EXEMPLIFIED MOST
RECENTLY AND ACUTELY BY THE TWO PROPOSED FOR
VIETNAM, AND JOINED US IN CALLING ON THE UNDP ADMINISTRATION TO CURB
AND TREND IN THE DIRECTION OF INORDINATE EQUIPMENT PURCHASES.
THE ONLY OTHER DELEGATION TO COMMENT ON THIS MATTER WAS
SWEDEN, WHICH EXPRESSED SUPPORT FOR THE TWO PROJECTS AS BEING
IN KEEPING WITH UNDP CRITERIA FOR TECHNICAL COOPERATION.

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3. FOLLOWING IS TEXT OF US STATEMENT
"DRAFT US SUMMARY STATEMENT AT JANUARY MEETING OF UNDP
GOVERNING COUNCIL

THE COUNCIL THIS WEEK WAS INDEED PRIVILEGED TO HAVE
REVIEWED SUCH AN IMPRESSIVE RANGE OF ACTIVITIES TO

BE CARRIED OUT WITH THE TECHNICAL COOPERATION OF THE UNDP DURING THE NEXT FEW YEARS. MY GOVERNMENT IS CONFIDENT THAT THE ACTIVITIES WILL MAKE A SUBSTANTIAL CONTRIBUTION TO THE NATIONAL DEVELOPMENT GOALS OF THE COOPERATING GOVERNMENTS, WHOSE WISHES AND ASPIRATIONS ARE REFLECTED IN THE DOCUMENTS WE HAVE BEFORE US.

OUR WORK RESULTS FROM THE JANUARY 1977 UNDP GOVERNING COUNCIL DECISION BY CONSENSUS ON THE IPF FIGURES FOR ALL COUNTRIES RECEIVING UNDP ASSISTANCE, INCLUDING AN ALLOCATION OF \$44 MILLION FOR VIETNAM, DURING THE PERIOD 1977-1981. WE ARE NOW IN THE PROCESS OF IMPLEMENTING OUR EARLIER DECISION. IN THAT CONNECTION, I WOULD LIKE TO EXPRESS THE CONCERN OF MY GOVERNMENT WITH A FEATURE WHICH HAS BEEN MANIFEST IN A FEW EARLIER UNDP PROJECTS AND WHICH WE ALSO FIND IN TWO OF THE PROJECTS NOW BEFORE US. WE ARE CONCERNED BY THE INCORPORATION WITHIN TWO LARGE PROJECTS OF AN EQUIPMENT COMPONENT APPROACHING 90 PERCENT OF THE TOTAL UNDP CONTRIBUTION IN EACH CASE. THIS FEATURE RASIES CONCERN FOR THE DEVELOPMENT PROGRAM AS A WHOLE AND THEREFORE WARRANTS COMMENT.

CLEARLY, THIS UNPRECEDENTEDLY HEAVY EMPHASIS ON COMMODITY PROCUREMENT IS NOT IN KEEPING WITH THE NORMAL PRACTICE OF UNDP, WHICH AFTER ALL IS A PROGRAM FOR TECHNICAL COOPERATION AND NOT FINANCIAL ASSISTANCE. THE EQUIPMENT LIMITED OFFICIAL USE

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COMPONENT IN UNDP PROJECTS WORLDWIDE HAS AVERAGED BETWEEN 12 AND 16 PERCENT OF TOTAL COSTS, A LEVEL WHICH IS ENTIRELY APPROPRIATE TO A PROGRAM OF TECHNICAL COOPERATION IN WHICH THE PROVISION OF SUPPLIES AND EQUIPMENT NATURALLY IS BUT AN INCIDENTAL PART.

THIS POINT REGARDING THE LIMITED ROLE OF COMMODITY PROCUREMENT IN UNDP PROGRAMS IS EXPRESSLY MADE IN THE ADMINISTRATOR'S REPORT FOR 1976 SUBMITTED AT THE LAST GOVERNING COUNCIL SESSION (DP/255), AS FOLLOWS: QUOTE ANOTHER GROWING APPLICATION OF NEW DIMENSIONS IS EVIDENT IN THE LINKS BEING FORCED BETWEEN UNDP COOPERATION AND FINANCIAL ASSISTANCE FROM OTHER SOURCES TO IMPLEMENT PROGRAMMES WHICH REQUIRE NOT ONLY TECHNICAL INPUTS BUT IMPORTANT INPUTS OF EQUIPMENT, BUILDINGS, AND SUPPLIES THAT UNDP WOULD NOT NORMALLY PROVIDE." END QUTE.

IN CONCLUSION, MR. CHAIRMAN, MY GOVERNMENT DOES NOT BELIEVE THAT IT IS IN THEINTEREST OF THE DEVELOPMENT PROGRAM TO APPROVE PROJECTS WHICH PLACE SUCH A HEAVY EMPHASIS ON THE PROCUREMENT OF SUPPLIES AS DISTINCT FROM TECHNICAL COOPERATION.

THE RESOURCES AVAILABLE TO UNDP, OF COURSE, ARE LIMITED AS COMPARED TO NEEDS, AND THE PROGRAM'S SPECIAL CONTRIBUTION TO NATIONAL DEVELOPMENT PROGRAMS SHOULD CONTINUE TO BE THE PROVISION OF TECHNICAL SERVICES. FINANCING OF COMMODITIES AS THE PRINCIPAL GOAL OF A PROJECT CAN BETTER BE HANDLED BY OTHER SOURCES OF ASSISTANCE AND NOT BY THE UNDP.

FOR THE REASONS, MR. CHAIRMAN, WE URGE THAT THE UN DEVELOPMENT PROGRAM REMAIN ON ITS ESTABLISHED COURSE OF TECHNICAL COOPERATION, A COURSE WHICH HAS PROVEN SO UNIQUELY USEFUL TO THE DEVELOPING COUNTRIES AND ATTRACTIVE TO DONORS."

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